

IRS News Release

Media Relations Office

Washington, D.C.

Media Contact: 202.622.4000

www.irs.gov/newsroom

Public Contact: 800.829.1040

IRS Revises Schedule K-1 for Trusts

IR-2006-11, Jan. 12, 2006

WASHINGTON — The Internal Revenue Service today announced the availability of the revised Form 1041 Schedule K-1 for this year's filing season. The schedule has been simplified to reduce common errors and the burden associated with preparation and filing requirements.

Income, deductions and credits from trusts and estates are reported to beneficiaries on Schedule K-1. The redesigned schedule is similar to the partnership and S-corporation Schedules K-1, which were changed last year. The new format features an improved layout similar to that of Form W-2, as well as streamlined instructions. It is also scannable, reducing the risk of transcription errors.

"We've modeled this on the well-understood Form W-2," said Kevin Brown, Commissioner of the agency's Small Business/Self-Employed Division. "We believe this will be easier for taxpayers to follow."

The Office of Taxpayer Burden Reduction led a collaborative effort to redesign all of the Schedules K-1. A team of IRS subject matter experts combined input from external stakeholders in the tax professional community with information from public comments and feedback from focus group participants to develop the innovative new format.

Approximately 26 million Schedules K-1 are filed each year, with 3.5 million being filed by estates and trusts. More than 99 million hours of taxpayer burden are saved by the three Schedule K-1 redesigns.

The schedule is available on IRS.gov. Printed copies are also available by calling the IRS at 1-800-829-3676.